

KENTUCKY HORSE RACING COMMISSION

MINUTES OF THE MEETING

Date: February 19, 2016 at 1:30 PM

Place: Rolex Hospitality Room, Kentucky Horse Park, Lexington, KY

Members Present: Vice-Chairman Tracy Farmer; Commissioner Elizabeth Lavin; Commissioner Burr Travis; Commissioner Clay Patrick; Commissioner J. David Richardson, M.D.; Commissioner John Phillips; Commissioner Neil Howard; Commissioner Steve Stewart; Commissioner Jerry Yon, MD; Commissioner Frank Jones; and Commissioner David Ingordo

Ex-officio Members Present: Deputy Secretary Gail Russell, representing the Public Protection Cabinet; Deputy Secretary Regina Stivers, representing the Tourism, Arts and Heritage Cabinet; and General Counsel Caroline Baesler, representing the Cabinet of Economic Development

KHRC Staff Participating: Marc A. Guilfoil, Executive Director; Susan B. Speckert, General Counsel; Mary Scollay, DVM, Equine Medical Director; Greg Lamb, Director of Pari-Mutuel Wagering; Barbara Borden, Chief State Steward; and Jamie Eads, Director of Incentives and Development

Others Present/Participating: None

Meeting called to order and roll call performed by Vice-Chairman Farmer. A quorum was recognized.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
N/A	4	The Honorable Larry VanMeter, Kentucky Court of Appeals, administered the oath and swore in new commission member, David Ingordo.	No action taken.
Tab 1 Keeneland's Proposed 2016 Spring Meet Officials & Dates Preference System	5 – 7	Ms. Borden presented Keeneland's request dated February 1, 2016 for approval of its roster of racing officials and dates preference system for the Spring 2016 meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening. Kentucky Horsemen's Benevolent and Protective Association (KyHBPA) approval of the requested dates preference system has been confirmed.	Motion to approve by Commissioner Travis. Second by Commissioner Jones. Motion carried with no objections or abstentions.

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		<p>Ms. Borden noted a correction in Keeneland's letter. Where it is stated that star only entries will be accepted in 2-year old maiden races only, and that should read 3-year old maiden races.</p> <p>Staff recommends approval.</p>	
Tab 2 Churchill Downs' Proposed 2016 Spring Meet Officials & Dates Preference System	7 – 8	<p>Ms. Borden presented Churchill Downs' request dated February 2, 2016 for approval of its roster of racing officials and dates preference system for the Spring 2016 meet. All stewards are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening. KyHBPA approval of the requested dates preference system has been confirmed.</p> <p>Staff recommends approval.</p>	Motion to approve by Commissioner Jones. Second by Commissioner Lavin. Motion carried with no objections or abstentions.
Tab 3 Thunder Ridge's Proposed 2016 Meet Officials	8 – 9	<p>Ms. Borden presented Thunder Ridge's request dated February 5, 2016 for approval of its roster of racing officials for the 2016 meet. All judges are ROAP accredited and all officials have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Staff recommends approval.</p>	Motion to approve by Commissioner Travis. Second by Commissioner Lavin. Motion carried with no objections or abstentions.
Tab 4 Keeneland's Spring Meet KTDF Allotment Request	9 – 10	<p>Ms. Eads presented Keeneland's KTDF purse structure request. By letter dated January 20, 2016, Keeneland requested approval of its KTDF purse structure for the 2016 Spring meet and the ability to payout KTDF purses on eligible horses through last place.</p> <p>Staff has confirmed that at the end of the 2015 Fall meet, Keeneland had a KTDF surplus of \$54,413.83. Keeneland projects to card KTDF purses in the range of \$800,000, which is based on a payout of approximately 75% of the amount carded</p>	Motion to approve by Commissioner Phillips. Second by Commissioner Lavin. Motion carried with no objections or abstentions.

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		<p>and daily earnings of \$20,773.</p> <p>The KTDF Advisory Committee approved recommendation of Keeneland's request at its January 26, 2016 meeting. Approval is recommended.</p>	
Tab 5 Churchill Downs' Spring Meet KTDF Allotment Request	10 – 11	<p>Ms. Eads presented Churchill Downs' KTDF purse structure request. By letter dated January 26, 2016, Churchill Downs requested approval of its KTDF purse structure for the 2016 Spring/Summer meet and the ability to payout KTDF purses on eligible horses first through last place.</p> <p>Churchill Downs ended the Fall 2015 meet with a surplus of \$11,385.40. Churchill Downs projects to card KTDF purses in the range of \$1,000,000 to \$1,300,000, which is based on a payout of approximately 85% of the amount carded and daily earnings of \$27,915.</p> <p>The KTDF Advisory Committee approved recommendation of Churchill Downs' request at its January 26, 2016 meeting. Approval is recommended.</p>	Motion to approve by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.
Tab 6 Churchill Downs' Backside Improvement Fund Request	11 – 13	<p>Ms. Eads presented Churchill Downs' request dated January 27, 2016 for approval of the expenditure of its backside improvement funds for the following projects:</p> <ol style="list-style-type: none"> 1) Backside paving (phase 2); 2) Track warning system; 3) Dormitory boiler improvements; 4) Dormitory locks; 5) Backside heating and A/C units; 6) Backside security camera; 7) Backside electrical maintenance; and 8) Pest control expenditures. 	Motion to approve by Commissioner Yon. Second by Commissioner Richardson. Motion carried with no objections or abstentions.

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		<p>KHRC staff inspected the proposed projects on February 1, 2016. Churchill Downs has provided a detailed description of each project, justification for the projects, photographs, and bids for each project.</p> <p>KHRC staff has confirmed a balance of \$477,103.90 in Churchill Downs' backside improvement fund. Upon completion of the project, KHRC staff will inspect the repair work and confirm completion. Copies of all invoices, photographs and communications will be kept on file at the KHRC office.</p> <p>Staff recommends approval.</p>	
Tab 7 Funding Request by UK-VDL for Storage Freezers for Equine Sports Science Initiative	13 – 14	<p>Dr. Scollay presented the Equine Sports Science Initiative (ESSI) at the University of Kentucky's request for funding from the Equine Drug Research Council (EDRC) for the purchase of 3 freezers. The freezers will be housed at the University of Kentucky Veterinary Diagnostic Laboratory and used for the sole purpose of storing samples from necropsies performed on horses sustaining injuries due to high speed exercise. The stored samples will be used for research to further knowledge on the causes (and thus prevention) of catastrophic musculoskeletal injuries in the equine athlete, and other research projects as they are identified.</p> <p>The EDRC unanimously approved recommendation of the ESSI request for funding at its December 9, 2015 meeting.</p>	<p>Motion to approve by Commissioner Lavin. Second by Commissioner Yon. Motion carried with no objections or abstentions.</p>

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Tab 8 Funding Request for Research Proposal by Barry Ball, DVM, PhD: Sex Hormone Binding Globulin: a Biomarker of Anabolic Abuse	14 - 20	<p>Dr. Scollay presented a request from Dr. Barry Ball, University of Kentucky, for funding from the EDRC for a proposed research project entitled <i>Sex hormone binding globulin: a biomarker of anabolic abuse</i>. The proposed project would be a two-phase project. The first phase would develop an immune based test for sex hormone binding globulin which is believed to be an indicator, when elevated, of the administration of anabolic steroids or drugs having illicit anabolic effects. The second phase would be to apply to different populations of horses to validate the method and make sure that it is appropriately sensitive and specific. Funding of the second phase would be contingent upon successful completion of the first phase.</p> <p>The EDRC unanimously approved recommendation of funding for the proposed research project and recommended funding of phase two be contingent upon successful completion of phase one.</p>	<p>Motion to approve by Commissioner Richardson. Second by Commissioner Lavin. Motion carried with no objections or abstentions.</p>
Tab 9 Keeneland's Request to Offer a Multi-Track Pick Four Wager	20 – 21	<p>Mr. Lamb presented Keeneland's request dated February 9, 2016 for approval to offer a Pick Four wager based on two stakes races at Keeneland and two from Aqueduct. Keeneland will be the host track and Kentucky rules and takeout rate will be used. United Tote is prepared to handle the wager.</p> <p>Staff recommends approval.</p>	<p>Motion to approve by Commissioner Yon. Second by Commissioner Travis. Motion carried with no objections or abstentions.</p>

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Tab 10 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Regulations and Litigation	21 – 22	a. Ms. Borden presented the thoroughbred ruling report. She noted an update that Ruling Nos. 15-0120 and 15-0149 have been paid and all fines for 2015, with the exception of those under appeal, have been paid.	No action taken. Informational items only.
	22 – 23	b. Mr. Guilfoil presented the standardbred ruling report on behalf of Mr. Williams. All individuals with unpaid fines have been suspended pending payment.	
	23 – 26	c. Dr. Scollay presented the veterinary division report for the Holiday Meet at Turfway Park. Dr. Scollay also provided a report on the 2015 reports of findings issued by the laboratory, a testing summary that showed the total number of samples collected per breed; and the race-related fatality occurrence over time report.	
	26 – 27	d. Mr. Lamb presented the reports for historical horse racing for December 2015 and January 2016, and live handle for December 2015 and January 2016 for Turfway Park and Churchill Downs for November 2015.	
	N/A	e. Status Report on Regulations and Litigation – For Informational Purposes Only.	
Other Business	28 – 29	Following a discussion, the Commission scheduled its next meeting for March 22, 2016 at 1:30 PM.	No action taken. Information item only.
	29 - 30	Vice Chairman Farmer requested the new ex-officio members introduce themselves to the Commission and the audience. Representing the Public Protection Cabinet was Deputy Secretary Gail Russell. Representing the Cabinet for Economic Development was Caroline Baesler, General Counsel.	

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		Representing the Tourism, Arts, and Heritage Cabinet was Deputy Secretary Regina Stivers.	
Executive Session	28	Vice Chairman Farmer requested a motion to go into executive session to discuss proposed or pending litigation against or on behalf of the public agency as permitted by KRS 61.810(1)(c). <u>EXECUTIVE SESSION</u>	Motion to go into executive session by Commissioner Jones. Second by Commissioner Travis. Motion carried with no objections or abstentions.
	28	Vice Chairman Farmer requested a motion to return to public session.	Motion to return to public session by Commissioner Yon. Second by Commissioner Howard. Motion carried with no objections or abstentions.
Adjournment	30	Vice Chairman Farmer requested a motion for adjournment.	Motion to adjourn by Commissioner Travis. Second by Commissioner Yon. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.